

Handbook. Employees are expected to review the Handbook – as well as other policies and materials – as part of the orientation process, and once they have done so, they sign an acknowledgment form indicating that they have read and understood these materials. In addition to receiving a copy of the Handbook during orientation, the Handbook is also available for employees to review in an electronic format on the Company’s intranet site.

5. Included in the Handbook is a policy entitled, “Timekeeping.” A copy of this policy is attached as **Exhibit A**. The Company’s Timekeeping policy provides that accurate record keeping of all time worked is the responsibility of all Life Time Fitness employees. Under this policy, all hourly and commissioned employees are required to keep complete and accurate records of all hours worked. The Timekeeping policy specifically states that “[f]ederal and state laws require an accurate record of time worked by hourly and commissioned [employees] in order to appropriately calculate pay and benefits.” (*See* Exhibit A.)

6. Under the Timekeeping policy, there is a strict requirement that all hourly and commissioned employees accurately record the time they begin and end work – including the beginning and end of any split shifts, departures from work for personal reasons, or unpaid meal breaks – by punching in and out on the appropriate time clock. The time clock used by hair stylist employees is the Company’s electronic timekeeping system, KRONOS. Hair stylists are responsible for keeping track of their own time in the KRONOS system. Under the Timekeeping policy, employees may not record or enter time for others, and any such action may result in discipline, up to and including termination of employment.

7. While all hourly and commissioned hair stylists are required to record all of their own compensable work time in KRONOS, not all employees enter their time in KRONOS in the same manner. All employees are issued a unique employee number, which they must use for

entering time in the KRONOS system. Employees may also elect, however, to additionally utilize a fingerprint recognition mechanism to swipe in and out of KRONOS. Accordingly, some employees use the latter in addition to their unique employee number. As noted previously, hair stylists are required to swipe in and out of KRONOS at the start and end of each shift, as well as at the start and end of any split shifts, personal departures from work, and applicable meal break periods. Hair stylist employees additionally are responsible for entering into KRONOS all time spent on training and any other work-related tasks not captured in their daily punches.

8. The Timekeeping policy specifically clarifies for employees that “time worked” includes all of the time employees actually spend performing job-related duties, as well as any paid breaks, in accordance with applicable law. Whether an employee is entitled to paid work breaks varies depending on the applicable law and the individual employee schedules. Pursuant to the Timekeeping policy, if any hourly or commissioned employee fails to clock in and out or otherwise track any and all time worked, the employee may be subject to discipline, up to and including termination of employment.

9. The Timekeeping policy specifically provides that employees are responsible for ensuring the accuracy of their time records. It further provides that if any time has not been entered accurately and/or if any modifications or corrections are needed, the employee must immediately notify their immediate supervisor, or “Department Head.” If an employee forgets to punch in or out as required under the Timekeeping policy, the employee must immediately fill out a KRONOS Missed Punch form and provide it to their Department Head for processing.

10. Life Time Fitness has adopted a “KRONOS Missed Punches/Editing Punches” policy, which sets forth the Department Head’s responsibilities regarding timekeeping. A copy of this policy is attached as **Exhibit B**. Under this policy, each Department Head is responsible

for reviewing time entries in KRONOS for all of their direct reports at least every other day to ensure that employees are properly punching in and out and to look for any potential errors or inaccuracies. If a Department Head identifies any apparent discrepancies in an employee's time entries, the Department Head must confer with the employee and ensure that the employee's entries are accurate. If any changes to the time records need to be made, the Department Head must ensure that the employee completes a KRONOS Exception Sheet, which sets forth the actual hours worked by the employee. After the employee verifies the actual number of hours worked and signs the KRONOS Exception Sheet, the Department Head may edit the employee's time entries in the KRONOS system. A Department Head may not edit any employee's punches unless the employee has agreed that the changes accurately reflect his or her hours worked by completing the KRONOS Exception Sheet. Any Department Head who edits an employee's time records without first obtaining a signed KRONOS Exception Report is subject to discipline, up to and including termination.

11. Under the Timekeeping policy, employees also may be subject to discipline, up to and including termination of employment, if they alter or falsify their time records or otherwise fail to present accurate timekeeping information. In addition to the Timekeeping policy's requirements regarding accurate time records, the Handbook also contains a separate policy, entitled, "Accuracy of Company Records," which mandates that employees ensure all data included in Company records is complete and accurate. A copy of this policy is attached as **Exhibit C**. This policy further emphasizes that "[r]ecording false, inaccurate or incorrect information or data is grounds for discipline, up to and including termination." (*See Exhibit C.*)

12. In addition to providing the policies discussed above to all Life Time Fitness employees, the Company also sends reminders to various employees from time to time regarding

the importance of accurate timekeeping. For example, the Company sends such a reminder when an employee's weekly hours average falls below the minimum requirement to maintain various employee benefits. A template letter used for this purpose is attached as **Exhibit D**.

FURTHER AFFIANT SAYETH NOT

s/Brianna Weber
Brianna Weber

Subscribed and sworn to before me
this 13th day of May, 2013.

s/Nissa A. Munger
Notary Public

- Is not a non-resident alien.

Once a Team Member meets eligibility requirements, he/she may enter the plan on the first day of the following month. Team Members may contribute up to 100% of their salary up to the maximum yearly limit allowed by current IRS regulations. Contributions may be discontinued at any time and contribution amounts may be changed monthly. Team Members are immediately 100% vested in their elected contributions and may never forfeit these contributions.

Life Time Fitness, Inc. may make a discretionary match of Team Member contributions at the end of each plan year. Team Members are vested in Life Time Fitness, Inc. discretionary contributions based upon years of vesting service in which Team Members worked at least 1,000 hours and vesting begins on date of hire. Team Members may obtain vesting schedules from Human Resources. Contact your Benefits Manager for more information.

Employee Stock Purchase Plan (ESPP)

Team members of Life Time Fitness have an opportunity to purchase Company Stock shares so they are able to participate in the future success of Life Time Fitness. There are semiannual offering periods for employees to purchase Company Stock under this Plan; (a) beginning on July 1 and ending December 31, and (b) January 1 and ending June 30. During these periods the amounts a team member contributes will be used to purchase shares at the end of the periods at a discounted price. Please refer to the Stock Purchase Plan document for more information.

Nursing

Life Time Fitness supports a woman's right to breastfeed her baby for as long as she wants and will take positive and supportive measures to assist team members who are returning to work and breastfeeding.

- Life Time Fitness will allow appropriate flexibility in working hours, including regular breaks for team members who wish to breastfeed or express milk.
- Provide an adequate location for the expression of milk or breastfeeding. Specifically, Life Time Fitness will make reasonable efforts to provide a room or other location in close proximity to work areas, other than a restroom, where a team member can breastfeed or express milk in privacy.
- To make use of this accommodation, team members must notify their supervisor that they are breastfeeding.

PAYROLL

Timekeeping

Accurate record keeping of time worked is the responsibility of every Life Time Fitness, Inc. Team Member. Federal and state laws require an accurate record of time worked by hourly and commissioned Team

Members in order to appropriately calculate pay and benefits. Time worked is all the time actually spent on the job performing assigned duties, as well as any paid breaks as required by state or local law of the location in which the Team Member is employed.

Hourly and commissioned Team Members must accurately record the time they begin and end their work by punching in and out on the appropriate time clock. They must also record the beginning and ending time of any split shift or departure from work for personal reasons.

Altering, falsifying, tampering with time records, recording another Team Member's time record or other fraudulent payroll related submissions result in disciplinary action, up to and including termination.

Team Members are responsible to ensure the accuracy of all time recorded and must immediately notify their supervisor or manager if corrections or modifications need to be made to their time record.

Overtime should not be performed unless it is pre-approved by a department head or manager.

Payday

Team Members are paid 24 times annually on the 9th and 24th of each month. Our workweek for payroll calculation is Sunday through Saturday. The paycheck issued for the 9th is pay for the 16th through the end of each month and the paycheck issued for the 24th is pay for the 1st through the 15th of each month.

For paydays that fall on a Saturday, paychecks will be distributed on the Friday prior to the payday. For paydays that fall on a Sunday, paychecks will be distributed on the Monday after the payday. If a Company holiday falls on the 9th or 24th, Team Members will receive their payroll check on the last workday prior to the holiday.

Team members direct all questions regarding their paychecks to their direct supervisor or general manager. The supervisor or general manager will contact the payroll department to resolve the situation.

Direct Deposit

Life Time Fitness, Inc. is pleased to offer and highly encourages direct deposit for all Team Members. Direct deposit is a time saving, convenient option that allows Electronic Funds Transfer into a checking or savings account of choice. Team Members still receive a printed statement of earnings on each payday.

To enroll, Team Members should complete a Direct Deposit Application and attach a voided check or deposit slip and submit it to their supervisor or manager to forward to Payroll. Direct deposit will become active on the second payday following receipt of the Direct Deposit Application to allow time for processing and account verification.

KRONOS Missed Punches/Editing Punches

Overview and Department Head Responsibilities:

- Fair Labor Standards Act (FLSA) requires employers and employees to come to an agreement upon all hours worked. The mechanism that Life Time Fitness utilizes is the KRONOS timekeeping system.
- If the employer and employee agree to the hours worked, the employee is paid based on the hours in KRONOS:
 - No editing or Exception sheet is necessary
- If there is a discrepancy between what the employee has entered in KRONOS and hours actually worked by employee, the employer and employee must come to an agreement as to what hours the employee truly worked:
 - Employer must have employee's prior written consent to edit the hours. Life Time Fitness uses the KRONOS Exception sheet. The employee must complete and sign the Exception sheet BEFORE the Department Head edits any hours in KRONOS.
- Department Heads must review KRONOS at least every other day to ensure proper punches and to review for any discrepancies.
- If a discrepancy is found:
 - The Department Head must ask the employee to complete the KRONOS Exception Sheet
 - Department Head must ensure the employee signs the Exception sheet and accurately records the number of hours worked
 - Department Head must also sign the Exception sheet
 - After both Department Head and the employee have signed the KRONOS Exception sheet, the Department Head may edit the punches in KRONOS.
 - The Department Head can only edit punches in KRONOS after receiving the completed signed Exception sheet.
- **Anyone who edits employees' punches without the completed and signed KRONOS Exception sheet will be subject to disciplinary action up to and including termination.**

Acknowledgement:

I have received a copy of the Life Time Fitness KRONOS Missed Punches/Editing Punches policy. I have read, understand and agree to adhere to the policy. I also understand that if I edit any punches without the required prior written consent, I will be subject discipline up to and including termination.

Name: _____ Club: _____
Please Print

Signature: _____ Date: _____

issued identification badge at all times. Visitors must sign in at the front desk and wear a visitor badge. Badges must be visible.

Accuracy of Company Records

Life Time Fitness prohibits dishonest or fraudulent conduct, including specifically falsification of company records. Life Time Fitness requires honest, accurate and verifiable recording and reporting of information and data entries.

Team Members may not enter false, inaccurate, or incorrect information in our company systems or on company forms. Team Members must always accurately and correctly record personal information about our members, guests, or prospects; financial account numbers and payment authorizations; information that affects individual or corporate performance measures; and any other information called for by or in our company systems, records, agreements or forms.

Recording false, inaccurate or incorrect information or data is grounds for discipline, up to and including termination.

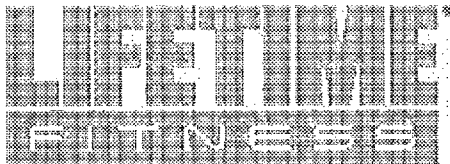
Electronic Communications & Use of LTF Technology

Websites, chat rooms, Web logs (blogs), Face Books, You Tube, Twitter, Wikis Life Time Fitness provides information-technology systems and equipment to team members for the purpose of conducting business, including but not limited to desktop and laptop computers, POS systems, and/or mobile devices which may afford access to Life Time's proprietary programs, platforms, websites and systems including Member Management System, LT Pulse and myLT.com (collectively, "LTF Technology"). Because it often allows electronic communications within and outside Life Time Fitness, you must take special care when using LTF Technology.

LTF Technology, including Life Time Fitness's IT systems and equipment are its property, including but not limited to any data created, stored, sent or received using such systems or equipment. Life Time Fitness may access, monitor, review, retrieve, retain and/or disclose certain contents of any and all data created, accessed, sent, received, stored or transmitted by you through and/or on LTF Technology, including all electronic communications whether personal or work-related. By using LTF Technology you specifically consent to such monitoring and access and further agree to follow all other Life Time Fitness policies while using LTF Technology. Incidental or occasional personal use of email and the internet is permitted, subject to the terms of this policy and so long as it does not disrupt or interfere with work duties. However, you do not, and should not, have an expectation of privacy or confidentiality in your use of LTF Technology, including but not limited to email, instant messages, web-browsing, text messages, downloading, or other access. You should be aware that although you have individual passwords to access part of LTF Technology, those passwords belong to Life Time Fitness and all parts are accessible by management. Your use of LTF Technology publicly reflects on you and Life Time Fitness.

Computer Software

You may use software licensed by Life Time Fitness on the local network or company PC's for business purposes, but you may not copy the software to any other computer or medium, including but not limited to a home computer, without prior express consent from the IT department. Software that has not been approved by the IT department, including free software available for download on the Internet, can be a source of computer viruses or otherwise detrimentally impact LTF Technology. If you wish to download or install any type of software onto any LTF Technology, you must first receive written permission from the IT department. This includes, but is not limited to business software, games, screensavers, media players, and any other type



2902 Corporate Place
Chanhassen, MN 55317

DATE

NAME
ADDRESS
CITY, STATE ZIP

Re: Benefit Eligibility and Requirement to Track Hours

Dear **Name**,

It has come to Life Time Fitness' attention that your average weekly hours for benefit eligibility has fallen below the minimum requirements to maintain your insurance coverage, paid time off ("PTO") and other possible benefits you may be entitled to as a full time team member. Company policy requires that all hourly and commission team members must clock in and out using the KRONOS system. You are required to clock in and out and track all your hours worked.

Your hours will be specifically monitored for the next three consecutive months, reviewed again in November. Following that, your hours will be monitored in accordance to the standard review. If you fail to clock in and out and your hours do not meet the minimum requirement by **DATE**, your insurance coverage will end and COBRA will be offered to you. Further, if you fail to clock in and out and track all your hours worked, you may be subject to discipline up to and including termination of employment.

Thank you in advance for your attention and cooperation with the policy to clock in and out. If you forget to clock in or out for a shift, please complete and sign the KRONOS Missed Punch form and provide to your Department Head for signature and processing. Please feel free to call with any questions.

Sincerely,

Yolanda Manella
HRIS Coordinator
Life Time – The Healthy Way of Life CompanySM
2902 Corporate Place
Chanhassen, MN 55317
Direct 952.229.7826
Fax: 855-616-8288

Weber
Exhibit D

4823-2493-0322\1 12/19/2012 1:31 PM



LTF00000933